



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

May 23, 2011

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Guidance

5/19/11 HHS/The Center for Consumer Information and Insurance Oversight (CCIIO) announced the **final rule to implement requirements for health insurance issuers regarding disclosure and review of unreasonable premium increases under §1003 of the ACA**. The final rule establishes a rate review program to ensure that rate increases that meet or exceed a 10% threshold are reviewed by a state or CMS to determine whether they are unreasonable and that certain rate information be made public.

Starting 9/1/11, insurers seeking rate increases of 10% or more for non-grandfathered plans in the individual and small group markets will be required to publicly and clearly disclose the proposed increases and the justification for them to consumers and post the justification for those increases on their website as well as on www.healthcare.gov. Such increases will be reviewed by either state or federal experts to determine whether they are unreasonable. HHS will serve in a supportive role in states that do not have the resources or authority to review rates. In September 2012, HHS will work with states to replace the 10% threshold with state-specific thresholds that reflect the insurance and health care cost trends in each state. States must also provide an opportunity for public input in the evaluation of rate increases subject to review. HHS expects to determine by 7/1/11 which states will be able to conduct their own reviews.

CCIIO is seeking comments on how individual and small group coverage sold through associations should be treated under the rate review process. Comments are due July 18, 2011.

The rule can be found at: <http://www.gpo.gov/fdsys/pkg/FR-2011-05-23/pdf/2011-12631.pdf>
<http://www.hhs.gov/news/press/2011pres/05/20110519a.html>

Read today's blog entry by Steve Larsen, CCIIO at:

<http://www.healthcare.gov/news/blog/shininglight05192011.html>

Read the fact sheet: <http://www.healthcare.gov/news/factsheets/ratereview05192011a.html>

Prior guidance can be viewed at: www.healthcare.gov

News

5/19/11 The Commonwealth Fund released a report recommending ways to **ensure that people maintain access to affordable insurance** as they transition between jobs and change income levels.

Read the report at: [Commonwealthfund](http://Commonwealthfund.org)

5/17/11 CMS announced **three ACA initiatives designed to encourage physicians and hospitals to become Accountable Care Organizations (ACOs)** and participate in the Medicare Shared Savings Program under §3022 of the ACA. The new initiatives include:

1) **A Pioneer ACO Model**, which provides a path for mature ACOs that have already begun work coordinating care for patients and are ready to move forward. The Center for Medicare and Medicaid Innovation (Innovation Center) is requesting applications for the model and applications are due 7/18/11. The Pioneer ACO Request for Application, the Letter of Intent form and the Application form may be accessed at: [CMS](http://CMS.gov)

2) **An Advanced Payment ACO Model** that will give certain ACOs participating in the Program under §3022 of the ACA access to their shared savings up front, helping them make investments in care coordination. Comments are due to The Innovation Center on the Model by 6/17/11.

More information about the Advance Payment ACO Model can be found at: [CMS](http://CMS.gov)

3) **Accelerated Development Learning Sessions** to help providers interested in becoming ACOs learn how to develop an action plan to provide better coordinated care. Learn more, including how to register at: <https://acoregister.rti.org/>

A fact sheet on these initiatives can be found at:

<http://www.healthcare.gov/news/factsheets/accountablecare05172011a.html>

For additional information, visit the Innovation Center website at: <http://innovations.cms.gov/>

Information on the on the proposed ACO rule/Medicare Shared Savings Program can be found at: <http://www.cms.gov/sharedsavingsprogram/>

Comments on the proposed rule are due 6/6/11.

5/16/11 The Patient-Centered Outcomes Research Institute (**PCORI**) **announced that healthcare researcher Dr. Joe V. Selby, M.D., M.P.H. will be its first executive director**. PCORI is an independent, non-profit organization to provide patients and those who care for them information they can use to evaluate prevention, diagnosis and treatment options and make more informed health decisions. Created under §6301 and §10602 of the ACA, PCORI will conduct comparative effectiveness research, evaluating various treatment options to determine which is the most effective. Selby is a member of the Institute of Medicine, where he has studied quality and effectiveness issues, and comes to PCORI from a position with Kaiser Permanente in California.

For more information on this announcement visit PCORI's website at:

<http://www.pcori.org/2011/patient-centered-outcomes-research-institute-names-selby-first-executive-director/>

The PCORI Board of Governors met 5/16/11-5/17/11 to discuss the institute's mission and finances and to hear various committee reports on progress to-date. A stakeholder discussion was held on 5/16/11. The presentations and video from the meeting, as well as a form to submit public comments about PCORI's recommended research priorities and outreach strategies, are available at: <http://pcori.org/>

5/13/11 HHS added 221 new recipients, **updating the list of those organizations that have been granted one-year "mini-med" waivers** to a total of 1372 applicants. CCIIO said that more than 95% of the annual-limit waivers granted were "employment-related" and the number of enrollees in plans with annual limits waivers represents less than 2% of all Americans who have private health insurance today. These organizations receive a temporary exemption from the annual limit requirements by certifying that a waiver is necessary to prevent either a large increase in premiums or a significant decrease in access to coverage. In addition, enrollees must be informed that their plan does not meet the coverage requirements of the ACA.

To see a breakdown of the types of applicants and learn more, visit CCIIO's website:

http://cciio.cms.gov/resources/files/approved_applications_for_waiver.html

Read the blog posted by Richard Sorian, HHS Assistant Secretary for Public Affairs at: [Whitehouse](#)

5/13/11 HHS/The Center for Consumer Information and Insurance Oversight (CCIIO) approved **waivers for the states of New Hampshire and Nevada, allowing insurers in those states to phase in the ACA's medical loss ratio (MLR) requirements**. The ACA allows the Secretary to adjust the medical loss ratio (MLR) standard for a state if it is determined that meeting the 80% MLR standard may destabilize the individual insurance market. In order to qualify for this adjustment, a state must demonstrate that requiring insurers in its individual market to meet the 80% MLR has a likelihood of destabilizing the individual market and result in fewer choices for consumers.

Although Nevada requested a 72% one-year waiver for 2011, HHS granted Nevada permission to allow insurers to spend 75% on medical care in 2011. In New Hampshire, the state asked for a waiver to allow insurers meet a 70% MLR for three years, but HHS agreed to set the rate at 72% in 2011, 75% in 2012 and 80% in 2013 and thereafter.

Read Nevada's correspondence with CCIIO at:

http://cciio.cms.gov/programs/marketreforms/mlr/mlr_nevada.html

Read New Hampshire's correspondence with CCIIO at:

http://cciio.cms.gov/programs/marketreforms/mlr/mlr_newhampshire.html

HHS has now approved waivers for 3 states. In March the state of Maine was granted the first state-specific adjustment to the MLR rules, allowing its insurers to spend 65% on medical care. In May Indiana and Delaware applied, joining a list of 10 states undergoing federal review. Both states are asking for a gradual implementation of the 80% spending requirement. For more information on states and the MLR requirements visit the Center for Consumer Information and Insurance Oversight (CCIIO) website at:

<http://cciio.cms.gov/programs/marketreforms/mlr/index.html>

Read Delaware's request at: [CCIIO](#)

Read Indiana's request at: [CCIIO](#)

5/13/11 The Alliance for Health Reform and The Commonwealth Fund held a **briefing on Accountable Care Organizations (ACOs)**. Topics included comments on the recently released proposed rule on ACOs and suggestions on how to implement ACOs successfully. Panelists included representatives from healthcare policy research organizations and CMS including Mark McClellan, former CMS Administrator and current Director of the Engelberg Center for Health Care Reform at the Brookings Institute, as well as Richard Gilfillan from CMS's Center for Medicare and Medicaid Innovation.

Presentations and other materials from the briefing can be found at:

http://www.allhealth.org/briefing_detail.asp?bi=212

For more information on the Alliance, visit:

http://www.allhealth.org/aboutus_mission.asp

For more information on the Commonwealth Fund, visit:

<http://www.commonwealthfund.org/About-Us/Mission-Statement.aspx>

Read the HHS press release at:

Upcoming Events

Next Quarterly Stakeholder Meeting

Patient Protection and Affordable Care Act Implementation meeting

Tuesday June 21, 2011 from 3:00-4:00 P.M.

1 Ashburton Place, 21st floor, Boston

Don't forget to add our website to your favorites: www.mass.gov/nationalhealthreform